



Protecting Montana's consumers through insurance and securities regulation

ABOUT INSURE MONTANA

EXHIBIT _____
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HB 258 4

Tax credits for small business health insurance will bolster Montana's economy and the finances of working families

- Insure Montana began in 2005 as a joint initiative of the Montana Legislature, the Governor and State Auditor. In fact, Insure Montana was passed with overwhelming bipartisan support from both legislative chambers - the House voted 80-17 and the Senate voted 39-11.
- Since that historic vote in 2005, Insure Montana has become an award winning, nationally recognized program that has provided health insurance to more than 1,400 small businesses, resulting in coverage of nearly 8,000 employees and dependents who were previously uninsured or at risk of losing coverage.
- Insure Montana is administered by the State Auditor's office and is designed to assist small businesses with the cost of health insurance. The program uses tobacco tax revenue to provide tax credits, premium assistance, and a purchasing pool to help small businesses cover their employees.
- Small businesses with 2-9 employees who currently provide health insurance to their employees can participate in either the purchasing pool or tax credit program.
- The Small Business Tax Credits help small businesses who provide affordable health insurance to their employees, dependents, and spouses. The tax credits are issued to any small employer who is sponsoring a group health plan issued by any insurer authorized to do business in this state.
- For businesses that were previously unable to afford health insurance for their employees, Insure Montana provides health insurance coverage through a small business purchasing pool.
- The Purchasing Pool lowers costs for businesses by allowing employers to join together to negotiate lower premiums. Pool money can be distributed to previously uninsured small employer groups who participate in either a fully insured qualified association plan or the Insure Montana purchasing pool, which is also fully insured. Pool money is distributed in the form of premium assistance to employees (based on a sliding income scale) and premium incentive payments (25% of the premium) to the small employer to help pay the employer's share of the premium.
- Businesses and employees who want to join qualified association plans are also eligible to receive incentives and assistance payments.
- Montana has one of the highest rates of uninsured in the nation. Nineteen percent or 173,000 Montanans were without health insurance. The consequences are deadly. A lack of health coverage is a matter of life and death for many people. A recent report estimated that about 90 working-age Montanans died in 2006 because they lacked health insurance. Between 2000 and 2006, nearly 600 working-age Montanans died because they did not have health insurance, it said.

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